



NOTICE OF TERMS OF AGREEMENT FOR USE OF XFA ORDER EXECUTION SERVICES

(Between Institutional Customer and Executing Broker – 4 pages- revised December 2014)

Your use of order execution services provided by X-Change Financial Access, LLC (“XFA” or “Executing Broker”) is governed by the following terms and conditions. By utilizing XFA’s services, you agree that these terms and conditions constitute the Agreement between you (the “Customer”) and XFA relating to the subject matter hereof:

- 1. SCOPE OF AGREEMENT.** All transactions executed hereunder shall be subject to applicable laws, governmental, regulatory, self-regulatory, exchange or clearing house rules, and the customs and usages of the exchange or clearing house on or through which they are executed and cleared, as are in force from time to time.
- 2. AUTHORIZATIONS.** Customer hereby authorizes Executing Broker to execute orders as transmitted to Executing Broker by Customer or his/her authorized party. Executing Broker reserves the right to reject any order which Customer may transmit to Broker for execution, but will promptly notify the Customer of any such rejection. At its discretion, the Executing Broker may authorize another floor broker to act as agent of the Executing Broker pursuant to specific instructions.
- 3. RESPONSIBILITIES OF EXECUTING BROKER.** Executing Broker shall report and give-up executed orders to the Customer’s Prime Broker or Clearing Firm or to a Clearing Firm Representative on the exchange floor. Executing Broker will retain copies of all order tickets for orders transmitted by Customer for the record-keeping period required by exchange rules. Executing Broker will: (a) upon placement of the order by Customer, confirm the terms of the order if customary and practicable; (b) accurately and timely execute all such orders. Executing Broker will not have discretionary authority over trades entered by Customer. Executing Broker will bill commissions for executing trades to Customer, Customer’s Prime Broker, or Customer’s Clearing Firm. Customer or Prime Broker, as elected by Customer, shall be responsible for verifying billing and making payment. Executing Broker shall not be responsible or liable for losses or damages resulting from: errors, negligence or misconduct of Customer, exchange or Clearing Firm; failure of transmission or communication facilities; or (c) any other cause or causes beyond its control. Executing Broker will bill commissions to Customer or Prime Broker or other brokerage firm, as directed.
- 4. RESPONSIBILITIES OF CUSTOMER.** Customer will be responsible for accurate placement of orders with Executing Broker and placing the order in a timely manner prior to the close of trading so that the order may be systematized according to Exchange rules. Customer shall provide all information Executing Broker may request concerning the Customer and/or its use of its services. All such information may be reported to any applicable regulatory authority if required. A Customer agrees that it will not engage in an activity that circumvents Securities laws or regulations including those established by U.S. Securities Exchange Trading Floors (e.g. CBOE, CBSX, CHX, ISE/Gemini, NYSE Arca, NYSE AMEX, ..). Examples of prohibited conduct that is in contravention of U.S. Securities Regulations include frontrunning, splitting up orders, bunching orders or entering orders in any manner that gives such orders an unfair participation rights, priority, or tape revenue or rebates that violate any rules governing the minimum or maximum size order limits established by XFA, the SEC, CFTC or the Exchanges where XFA operates its trade execution business.
- 5. MISCOMMUNICATIONS AND ERRORS.** In the event that Customer disputes or denies knowledge of any transaction confirmed to Customer, Executing Broker shall be authorized to liquidate or otherwise offset the disputed position. In the event that Prime Broker or Clearing Firm does not, for any reason, accept a trade transmitted to it by Executing Broker, Executing Broker shall at its option be entitled to (a) close out Customer’s trade by such sale, purchase, disposal or other cancellation transaction as Executing Broker may determine. Executing Broker shall promptly notify Customer of such close out. Any balance resulting from such close out shall be promptly settled between the Customer and

the Executing Broker for the Customer's sole risk and benefit, or (b) transfer Customer's trade to another Clearing Firm as instructed by Customer if such Clearing Firm has a brokerage/clearing agreement in place with the Customer.

6. MARKET ACCESS ADVISORIES. In accordance with CBOE rule 6.74B.02, you are hereby advised that when Executing Broker handles an order of 500 contracts or more on your behalf, Executing Broker may solicit other parties to execute against your order and may thereafter execute your order using the Chicago Board Options Exchange's AON AIM Solicitation Mechanism. This system provides a single-priced execution, unless the order results in price improvement for the entire quantity, in which case multiple prices may result. For further details on the operation of this mechanism, please refer to Chicago Board Options Exchange Rule 6.74B, which is available at www.cboe.org/Legal. Executing Broker may also solicit other parties to execute against your order and may thereafter execute your order using the International Securities Exchange's Solicited Order Mechanism. This system provides a single-price execution only, so that your entire order may receive a better price after being exposed to the Exchange's participants, but will not receive partial price improvement. For further details on the operation of this Mechanism, please refer to International Securities Exchange Rule 716, which is available at www.ise.com under "Membership, Rules & Fees – Regulatory – ISE Rules.

7. ACCURATE ORDER INFORMATION. XFA requires that you furnish complete and accurate order information to XFA at all times, including but not limited to, proper account origin code (e.g., firm, customer, professional, market maker, B/D or other applicable origin code), long or short on sell orders, clearing firm, delta or other contingencies, CMTA, Qualified Contingency Cross (QCC) or Qualified Cross Transaction (QCT) eligibility or any restriction on the account by its clearing member or by regulation.) In addition, any Exchange registered Market Maker must advise XFA when entering an option order if the order is restricted in any option class due to a Trading Appointment or any other Exchange restriction on the Market Maker..)at time of order entry.

XFA reserves the right to refuse any request to perform a post-trade allocation (change in clearing firm, price, account designation, CMTA, etc.) with respect to a previously executed order, on a case by case basis.

8. NEW EXECUTION ACCOUNT PROCEDURES To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents. A corporation, partnership, trust or other legal entity may need to provide other information, such as its principal place of business, local office, employer identification number, certified articles of incorporation, partnership or trust agreement. U.S Department of the Treasury, Securities and Exchange Commission, FINRA, and Chicago Board Options Exchange Rules already require you to provide most of this information. These rules also may require you to provide additional information, such as your net worth, annual income, occupation, employment information, investment experience and objectives, and risk tolerance. If your identity cannot be established, our Firm may not be able to open an account or carry out transactions for you.

9. SEC RULE 13h-1 LARGE TRADER_ On July 27, 2011 the SEC adopted Rule 13h-1 (the "Rule"), requiring entities deemed to be large traders, as prescribed by the Rule, to file with the SEC for a large trader identification number ("LTID") and promptly disclose its LTID to registered broker-dealers effecting transactions on its behalf. XFA is the executing broker and asks that you provide us with your firm's Large Trader ID ("LTID"). A Large Trader is defined as follows:

any person or entity whose transactions in NMS securities equal or exceed 2 million shares or \$20 million during any calendar day; or, 20 million shares or \$200 million during any calendar month.

XFA reminds firms that it is their responsibility to register with the SEC if they qualify as a large trader and to provide that id (LTID) to XFA.

10. POLICIES REGARDING CUSTOMER INFORMATION XFA is committed to:

1) ensuring the privacy, confidentiality and security of customer information.

- 2) protecting the security and integrity of customer information from anticipated threats and hazards; and,
- 3) protecting customer information from unauthorized access or use.

Accordingly, it is XFA's policy that no employee, officer or Board member ("employee") may share customer information with a non-affiliated third party except in accordance with the exemptions contained in Regulation S-P and described below. It is also XFA's policy to permit the sharing of customer information with its affiliates when for a valid business purpose

XFA shares customer information with non-affiliated third parties only when those parties are acting on our behalf in servicing customer accounts or in servicing XFA or as required by law. These limited circumstances include our provision of customer information to:

- insurance companies to underwrite an insurance policy to service customer accounts;
- entities performing services on XFA's behalf (such as administrators, etc.);
- SROs and governmental or other legal agencies, as required by law.

When information is shared with third parties, they are legally obligated to maintain the confidentiality of XFA customer information and to limit their use of it to servicing XFA customer accounts, except as permitted or required by law. Under no circumstances will XFA sell customer information to any person or entity.

11. **BUSINESS CONTINUITY PLAN** We are committed to providing reliable, trustworthy service that represents the best interests of our clients. The firm has developed a business continuity plan to protect our clients and employees in the event of an emergency or significant business disruption. The plan is designed to help prepare for securing employees' safety and firm property, making financial and operational assessments, promptly recovering and resuming operations, protecting the firm's books and records, and allowing our clients access to trading as soon as possible. The business continuity plan considers various scenarios that range in severity from a firm- or building-only disruption to an emergency situation on a local or regional level. For example, in the event our office locations are inaccessible, alternative locations are established and prepared to facilitate business operations. The firm has redundancies in place for its critical systems and believes that it would most likely be able to resume business within the same day as the disruption. We have invested a significant amount of time and money into planning and deploying a fault-tolerant, redundant data infrastructure to ensure maximum uptime, and rapid recovery in the unlikely event of incident absent the shut down of the U.S. Securities' Markets where XFA is registered to operate its execution business as floor brokers. Our goal in all situations is to return to normal business conditions as soon as possible, with minimal impact on our clients and employees.

Trading Floor Operations Redundancy: with Exchange trading floor operations on the CBOE, CHX, NYSE Arca and NYSE Amex trading floors XFA is able to represent your orders on other exchange if there is an event that causes any of the U.S. Securities option or stock exchanges to shut-down during normal trading hours. This means that for all multiply listed securities products XFA is able to give our execution customers multiple choices as to where an order may be executed.

12. **EXCHANGE MARKETING PAYMENTS** From time to time, X-FA may receive a marketing fee from the CBOE and other options exchanges who offer similar programs, as approved by the Securities and Exchange Commission. X-FA may at its discretion pass all or a portion of this remuneration on to its customers in the form of a reduction of floor brokerage payable. Payments received vary by exchange and other factors.

13. **OTHER PROVISIONS.** The construction, interpretation and effect of every provision of this Agreement, the rights of the parties hereunder and any questions, disputes, or controversies relating to or arising out of this Agreement, shall be governed by and subject to the statutory and common law of the State of Illinois. Any dispute or controversy among the

parties relating to or arising out of any specific transaction effected pursuant to this Agreement shall be resolved by arbitration before and under the rules of the exchange or market on which such transaction was placed or effected, provided that such exchange or market provides arbitration facilities.

We reserve the right to modify or supplement these Policies disclosed in this Agreement at any time. If we make material changes, we will provide current customers with a revised notice that describes our new practices. The practices and policies contained in this Agreement replace all previous notices or statements with respect to the same subject.